



Reprinted  
March 4, 2014

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## ENGROSSED HOUSE BILL No. 1235

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DIGEST OF HB 1235 (Updated March 3, 2014 5:20 pm - DI 110)

**Citations Affected:** IC 4-32.2; IC 24-8; IC 28-1; IC 35-45.

**Synopsis:** Savings promotion raffles; charity gaming. Defines an "eligible depository financial institution" as a credit union that is organized or reorganized under Indiana law. Allows an eligible depository financial institution to offer and conduct a savings promotion raffle that: (1) is associated with one or more qualified accounts or qualified financial programs offered by the eligible depository financial institution; and (2) offers eligible individuals one or more chances to win specified prizes. Specifies certain conditions that a savings promotion raffle must meet. Provides that a savings promotion raffle must allow an eligible individual to obtain an entry to win a prize only by doing either or both of the following: (1) Depositing a minimum specified amount in a qualified account. (2) Participating in one or more qualified financial programs. Provides that a savings promotion raffle must be approved by: (1) the director of the department of financial institutions (director); and (2) the eligible  
(Continued next page)

**Effective:** Upon passage; July 1, 2014.

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### Riecken, Koch, Burton, Moed

(SENATE SPONSORS — HOLDMAN, TAYLOR, LEISING)

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January 14, 2014, read first time and referred to Committee on Financial Institutions.  
January 23, 2014, amended, reported — Do Pass.  
January 27, 2014, read second time, ordered engrossed. Engrossed.  
January 28, 2014, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Financial Institutions.  
February 20, 2014, reported favorably — Do Pass.  
March 3, 2014, read second time, amended, ordered engrossed.

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EH 1235—LS 6560/DI 101



depository financial institution's board of directors; before it is offered or promoted to eligible individuals. Permits the director to: (1) adopt rules, policies, or guidance; and (2) exercise certain enforcement powers; with respect to the conduct of savings promotion raffles by eligible depository financial institutions. Specifies that Indiana Code provisions concerning charity gaming, promotional gifts and contests, and criminal gambling do not apply to a savings promotion raffle that is offered or conducted by: (1) an eligible financial institution under the new provisions; or (2) a federal credit union if the savings promotion raffle is conducted by the federal credit union in the same manner as a saving promotion raffle under the new provisions. Provides that a qualified organization may conduct two bingo events each year in which the total prizes may not exceed \$20,000 (current law allows the total prizes to not exceed \$10,000). Provides that the total prizes awarded for one pull tab, punchboard, or tip board may not exceed \$15,000 (current law allows total prizes to not exceed \$5,000). Increases the prize limit for a single prize awarded for a winning ticket in a pull tab, punchboard, or tip board game from \$599 to \$7,800. Increase the amount of a prize to \$600 in which the winner is required to provide certain information to the qualified organization. Requires that a qualified organization may pay for licensed supplies only with a check drawn on or by an electronic funds transfer from the qualified organization's gaming account. Provides that a licensed distributor may obtain licensed supplies to be used in charity gaming only from an entity licensed by the gaming commission as a manufacturer or distributor or from certain qualified organizations.



Reprinted  
March 4, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1235

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A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 4-32.2-1-1, AS AMENDED BY P.L.95-2008,  
2       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 1. (a) This article applies only to a qualified  
4       organization.  
5       (b) This article applies only to the following approved gambling  
6       events conducted as fundraising activities by qualified organizations:  
7               (1) Bingo events, charity game nights, door prize events, raffle  
8               events, festivals, and other gaming events approved by the  
9               commission.  
10              (2) The sale of pull tabs, punchboards, and tip boards:  
11                  (A) at bingo events, charity game nights, door prize events,  
12                  raffle events, and festivals conducted by qualified  
13                  organizations; or  
14                  (B) at any time on the premises owned or leased by a qualified

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1 organization and regularly used for the activities of the  
2 qualified organization.

3 This article does not apply to any other sale of pull tabs,  
4 punchboards, and tip boards.

5 (c) This article does not apply to a promotion offer subject to  
6 IC 24-8.

7 (d) This article does not apply to the following:

8 (1) A type II gambling game authorized by IC 4-36.

9 (2) A raffle or other gambling game authorized by IC 4-36-5-1(b).

10 **(e) This article does not apply to a savings promotion raffle that:**

11 **(1) is offered or conducted by an eligible financial institution**  
12 **under IC 28-1-23.2; or**

13 **(2) is:**

14 **(A) offered or conducted by a credit union organized or**  
15 **reorganized under United States law; and**

16 **(B) conducted in the same manner as a savings promotion**  
17 **raffle under IC 28-1-23.2.**

18 SECTION 2. IC 4-32.2-5-17, AS ADDED BY P.L.91-2006,  
19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2014]: Sec. 17. (a) The prize for one (1) bingo game may not  
21 have a value of more than one thousand dollars (\$1,000).

22 (b) Except as provided in subsection (c), the total prizes permitted  
23 at one (1) bingo event may not have a value of more than six thousand  
24 dollars (\$6,000).

25 (c) The commission may, by express authorization, allow any  
26 qualified organization to conduct two (2) bingo events each year at  
27 which the total prizes for the bingo event may not exceed ~~ten~~ **twenty**  
28 ~~thousand dollars (\$10,000).~~ **thousand dollars (\$20,000).** Bingo events authorized under  
29 this subsection may be conducted at a festival conducted under  
30 IC 4-32.2-4-12.

31 (d) The proceeds of the sale of pull tabs, punchboards, and tip  
32 boards are not included in the total prize limit at a bingo event.

33 (e) The value of all door prizes awarded at a bingo event may not  
34 have a value of more than one thousand five hundred dollars (\$1,500).

35 SECTION 3. IC 4-32.2-5-20, AS ADDED BY P.L.91-2006,  
36 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2014]: Sec. 20. (a) The total prizes awarded for one (1) pull  
38 tab, punchboard, or tip board game may not exceed ~~five~~ **fifteen**  
39 ~~thousand dollars (\$5,000).~~ **thousand dollars (\$15,000).**

40 (b) A single prize awarded for one (1) winning ticket in a pull tab,  
41 punchboard, or tip board game may not exceed ~~five hundred~~  
42 ~~ninety-nine~~ **seven thousand eight hundred** dollars (~~\$599~~). **(\$7,800).**



(c) The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar (\$1).

SECTION 4. IC 4-32.2-5-24, AS ADDED BY P.L.60-2009, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 24. (a) Except as provided in subsections (b) and (c), the following apply to an allowable event:

(1) A charity gaming patron is not required to submit to a qualified organization the patron's name, signature, driver's license number, or other identifying information.

(2) A qualified organization is not required to obtain a patron's name, signature, driver's license number, or other identifying information.

(b) A prize of ~~two six hundred fifty~~ dollars (~~\$250~~) (**\$600**) or more may not be awarded to a winner of a pull tab, punchboard, or tip board game unless:

(1) the winner provides the winner's printed name, signature, and date of birth to the qualified organization conducting the pull tab, punchboard, or tip board game; and

(2) the qualified organization verifies the identity of the prize winner using any reasonable means the qualified organization considers necessary.

(c) If a qualified organization is required to report a patron's gambling winnings to the Internal Revenue Service for federal income tax purposes, the winning patron shall provide the qualified organization with the information necessary to comply with all applicable state and federal tax laws.

SECTION 5. IC 4-32.2-5-25, AS ADDED BY P.L.60-2009, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 25. (a) Except as provided in subsection (b), a qualified organization shall obtain licensed supplies from an entity licensed by the commission as a ~~manufacturer~~ or distributor.

(b) Subsection (a) does not apply to a reusable licensed supply:

(1) constructed, purchased, or otherwise obtained by a qualified organization before January 1, 2009; or

(2) borrowed at any time from another qualified organization.

**(c) A qualified organization may pay for licensed supplies only with a check drawn on or by an electronic funds transfer from the qualified organization's gaming account.**

SECTION 6. IC 4-32.2-5-25.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 25.3. (a) A licensed distributor may obtain licensed supplies to be used in charity gaming only**



from an entity licensed by the commission as a manufacturer or distributor unless the supplies are obtained from a qualified organization if:

- (1) the qualified organization has ceased gaming;
- (2) the qualified organization is upgrading equipment; or
- (3) the licensed distributor notifies and obtains permission from the commission.

(b) A licensed distributor may provide supplies to be used in charity gaming only to:

- (1) a qualified organization that has obtained a license from the commission to conduct allowable events; or
- (2) a qualified organization that is exempt from obtaining a license under IC 4-32.2-4-3.

SECTION 7. IC 24-8-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This article applies to a promotion offer made:

- (1) by a person in Indiana; or
- (2) to a person in Indiana.

(b) This article does not apply to a savings promotion raffle that:

- (1) is offered or conducted by an eligible financial institution under IC 28-1-23.2; or
- (2) is:
  - (A) offered or conducted by a credit union organized or reorganized under United States law; and
  - (B) conducted in the same manner as a savings promotion raffle under IC 28-1-23.2.

SECTION 8. IC 28-1-23.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 23.2. Savings Promotion Raffles**

**Sec. 1.** As used in this chapter, "director" refers to the director of the department of financial institutions.

**Sec. 2.** As used in this chapter, "eligible depository financial institution" means a credit union that is organized or reorganized under Indiana law with the express power to receive and accept deposits of money subject to withdrawal by any of the methods set forth in IC 28-1-23-16.

**Sec. 3.** As used in this chapter, "eligible individual", with respect to a savings promotion raffle, means an individual who:

- (1) is at least eighteen (18) years of age;
- (2) is a member of the eligible depository financial institution



conducting the savings promotion raffle; and  
 (3) maintains a qualified account with the eligible depository  
 financial institution conducting the savings promotion raffle.

Sec. 4. (a) As used in this chapter, "qualified account", for  
 purposes of a savings promotion raffle, means:

- (1) a savings account;
- (2) a time deposit; or
- (3) a savings program;

that is offered by an eligible depository financial institution to an  
 eligible individual.

(b) The term includes:

- (1) an account described in subsection (a) that is a share  
 account; and
- (2) an account described in subsection (a) in which an eligible  
 individual has an interest:
  - (A) individually; or
  - (B) jointly with another eligible individual.

Sec. 5. (a) As used in this chapter, "qualified financial  
 program", for purposes of a savings promotion raffle, means any  
 savings, debt reduction, or financial education program or product  
 that an eligible depository financial institution offers to eligible  
 individuals for the purpose of:

- (1) educating eligible individuals in the concepts of thrift;
- (2) encouraging savings by eligible individuals; or
- (3) providing eligible individuals the opportunity to use and  
 control their own money in order to improve their economic  
 and social condition.

(b) Subject to the approval of the director, and of the eligible  
 depository financial institution's board of directors, the term  
 includes the following:

- (1) Programs or products that encourage or require eligible  
 individuals to open one (1) or more qualified accounts or to  
 increase deposits or contributions to one (1) or more qualified  
 accounts.
- (2) Programs or products that encourage or require eligible  
 individuals to deposit or transfer money into one (1) or more  
 qualified accounts on a recurring or automatic basis.
- (3) Programs or products that encourage an eligible  
 individual to:
  - (A) refinance or consolidate existing debt to obtain a lower  
 interest rate;
  - (B) lower the eligible individual's total debt ratio or



1 revolving debt ratio by paying off or reducing outstanding  
2 balances; or

3 (C) prepare a budget or a debt reduction plan.

4 (4) Programs that encourage eligible individuals to:

5 (A) attend financial education seminars or counseling  
6 sessions sponsored by the eligible financial institution and  
7 offered free of charge; or

8 (B) use free online financial education, budgeting, or debt  
9 reduction tools.

10 (5) Any other similar savings, debt reduction, or financial  
11 education program or product that an eligible depository  
12 financial institution offers to eligible individuals for any of the  
13 purposes set forth in subsection (a).

14 Sec. 6. As used in this chapter, "savings promotion raffle"  
15 means a contest:

16 (1) that is associated with one (1) or more qualified accounts  
17 or one (1) or more qualified financial programs offered by an  
18 eligible depository financial institution to eligible individuals;

19 (2) that is conducted by an eligible depository financial  
20 institution, alone or together with one (1) or more other  
21 businesses;

22 (3) that offers eligible individuals one (1) or more chances to  
23 win designated prizes; and

24 (4) in which:

25 (A) the sole consideration for a chance to win a designated  
26 prize is obtained by:

27 (i) depositing a minimum specified amount of money in  
28 a qualified account; or

29 (ii) participating in one (1) or more qualified financial  
30 programs; and

31 (B) each entry has an equal chance of being drawn.

32 Sec. 7. (a) Subject to subsections (b) and (c) and section 8 of this  
33 chapter, and subject to any rules, policies, or guidance adopted by  
34 the director under section 9 of this chapter, an eligible depository  
35 financial institution may offer and conduct a savings promotion  
36 raffle if the following conditions are met:

37 (1) The terms and conditions of the savings promotion raffle  
38 must allow an eligible individual to obtain one (1) or more  
39 entries to win a specified prize. Subject to any limits that the  
40 eligible depository financial institution may place on the  
41 number of entries that an eligible individual is permitted to  
42 obtain for any given savings promotion raffle, as set forth in



the terms and conditions of the savings promotion raffle, the eligible depository financial institution must allow an eligible individual to obtain an entry for a savings promotion raffle only by doing either or both of the following:

(A) Depositing a minimum specified amount of money in a qualified account in accordance with the terms and conditions of the savings promotion raffle.

(B) Participating in one (1) or more qualified financial programs in accordance with the terms and conditions of the savings promotion raffle.

(2) Each entry in the savings promotion raffle must have an equal chance of being drawn.

(3) The savings promotion raffle must be approved by:

(A) the director; and

(B) the eligible depository financial institution's board of directors;

before it is offered or promoted to eligible individuals by the eligible depository financial institution.

(b) An eligible depository financial institution may not conduct a savings promotion raffle if the savings promotion raffle will:

(1) harm the eligible depository financial institution's ability to operate in a safe and sound manner; or

(2) mislead eligible individuals or the public.

(c) An eligible depository financial institution that conducts a savings promotion raffle under this chapter shall maintain books and records relating to the conduct of the savings promotion raffle in the manner and for the length of time that the director may prescribe in rules, policies, or guidance adopted under section 9 of this chapter.

Sec. 8. (a) An eligible depository financial institution that offers a savings promotion raffle under this chapter shall:

(1) post in any location where entries may be submitted; and

(2) disclose in any:

(A) printed materials; or

(B) electronic media;

promoting the savings promotion raffle;

a statement describing the terms and conditions of the savings promotion raffle.

(b) The statement required under subsection (a) must include language specifying the following:

(1) The following:

(A) That, except for:



(i) making a deposit described in section 7(a)(1)(A) of this chapter; or

(ii) participating in one (1) or more qualified financial programs, as described in section 7(a)(1)(B) of this chapter;

no other action, and no purchase or other consideration, is necessary for an entry into the savings promotion raffle.

(B) That, except for:

(i) making a deposit described in section 7(a)(1)(A) of this chapter; or

(ii) participating in one (1) or more qualified financial programs, as described in section 7(a)(1)(B) of this chapter;

taking any other action, or purchasing any goods or services, will not improve the odds of winning.

(C) That the odds of winning are determined based on the number of entries received.

**Sec. 9. The director may do any of the following:**

(1) Prescribe the form or manner in which an eligible depository financial institution may seek approval from the department to offer a savings promotion raffle to eligible individuals.

(2) Adopt rules, policies, or guidance concerning the conduct of savings promotion raffles in Indiana.

(3) Examine the conduct of an eligible depository financial institution's savings promotion raffle.

(4) Issue cease and desist orders or otherwise exercise the department's enforcement powers under IC 28-11-4 for a violation of this chapter.

SECTION 9. IC 35-45-5-7, AS AMENDED BY P.L.233-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state;

(2) a game of chance operated in accordance with IC 4-32.2; or

(3) a gambling game operated in accordance with IC 4-35; or

(4) a savings promotion raffle that:

(A) is offered or conducted by an eligible financial institution under IC 28-1-23.2; or

(B) is:



1 (i) offered or conducted by a credit union organized or  
2 reorganized under United States law; and

3 (ii) conducted in the same manner as a savings  
4 promotion raffle under IC 28-1-23.2.

5 SECTION 10. IC 35-45-5-13 IS ADDED TO THE INDIANA  
6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
7 [EFFECTIVE UPON PASSAGE]: Sec. 13. This chapter does not  
8 apply to a savings promotion raffle that:

9 (1) is offered or conducted by an eligible financial institution  
10 under IC 28-1-23.2; or

11 (2) is:

12 (A) offered or conducted by a credit union organized or  
13 reorganized under United States law; and

14 (B) conducted in the same manner as a savings promotion  
15 raffle under IC 28-1-23.2.

16 SECTION 11. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1235, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 10, after "raffle" insert "**that:**

**(1) is offered or conducted by an eligible financial institution under IC 28-1-23.2; or**

**(2) is:**

**(A) offered or conducted by a credit union organized or reorganized under United States law; and**

**(B) conducted in the same manner as a savings promotion raffle under IC 28-1-23.2."**

Page 2, delete lines 11 through 12.

Page 2, line 18, after "raffle" insert "**that:**

**(1) is offered or conducted by an eligible financial institution under IC 28-1-23.2; or**

**(2) is:**

**(A) offered or conducted by a credit union organized or reorganized under United States law; and**

**(B) conducted in the same manner as a savings promotion raffle under IC 28-1-23.2."**

Page 2, delete lines 19 through 20.

Page 2, line 29, delete ", the law of another state (as defined in".

Page 2, line 30, delete "IC 28-2-17-19), or United States law".

Page 2, delete line 36.

Page 2, line 37, delete "(3)" and insert "**(2)**".

Page 2, line 39, delete "(4)" and insert "**(3)**".

Page 3, line 2, delete "savings program, including a retirement account, a" and insert "**time deposit; or**".

Page 3, delete line 3.

Page 3, line 4, delete "time deposit;" and insert "**savings program;**".

Page 6, line 14, delete "(a) Subject to any applicable federal laws or regulations,".

Page 6, line 15, delete "the" and insert "**The**".

Page 6, delete lines 27 through 42.

Page 7, delete lines 1 through 16.

Page 7, line 26, delete "offered or conducted by an" and insert "**that:**

**(A) is offered or conducted by an eligible financial**



**institution under IC 28-1-23.2; or**

**(B) is:**

**(i) offered or conducted by a credit union organized or reorganized under United States law; and**

**(ii) conducted in the same manner as a savings promotion raffle under IC 28-1-23.2."**

Page 7, delete line 27.

Page 7, line 31, delete "offered or conducted by an eligible financial" and insert "**that:**

**(1) is offered or conducted by an eligible financial institution under IC 28-1-23.2; or**

**(2) is:**

**(A) offered or conducted by a credit union organized or reorganized under United States law; and**

**(B) conducted in the same manner as a savings promotion raffle under IC 28-1-23.2."**

Page 7, delete line 32.

and when so amended that said bill do pass.

(Reference is to HB 1235 as introduced.)

BURTON, Chair

Committee Vote: yeas 12, nays 0.

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Financial Institutions, to which was referred House Bill No. 1235, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1235 as printed January 24, 2014.)

Committee Vote: Yeas 6, Nays 0

Senator Holdman, Chairperson



## SENATE MOTION

Madam President: I move that Engrossed Senate Bill 1235 be amended to read as follows:

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 2. IC 4-32.2-5-17, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) The prize for one (1) bingo game may not have a value of more than one thousand dollars (\$1,000).

(b) Except as provided in subsection (c), the total prizes permitted at one (1) bingo event may not have a value of more than six thousand dollars (\$6,000).

(c) The commission may, by express authorization, allow any qualified organization to conduct two (2) bingo events each year at which the total prizes for the bingo event may not exceed ~~ten~~ **twenty** thousand dollars (~~\$10,000~~). **(\$20,000)**. Bingo events authorized under this subsection may be conducted at a festival conducted under IC 4-32.2-4-12.

(d) The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a bingo event.

(e) The value of all door prizes awarded at a bingo event may not have a value of more than one thousand five hundred dollars (\$1,500).

SECTION 3. IC 4-32.2-5-20, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) The total prizes awarded for one (1) pull tab, punchboard, or tip board game may not exceed ~~five~~ **fifteen** thousand dollars (~~\$5,000~~). **(\$15,000)**.

(b) A single prize awarded for one (1) winning ticket in a pull tab, punchboard, or tip board game may not exceed ~~five hundred ninety-nine~~ **seven thousand eight hundred** dollars (~~\$599~~). **(\$7,800)**.

(c) The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar (\$1).

SECTION 4. IC 4-32.2-5-24, AS ADDED BY P.L.60-2009, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 24. (a) Except as provided in subsections (b) and (c), the following apply to an allowable event:

(1) A charity gaming patron is not required to submit to a qualified organization the patron's name, signature, driver's license number, or other identifying information.

(2) A qualified organization is not required to obtain a patron's name, signature, driver's license number, or other identifying information.



(b) A prize of ~~two six hundred fifty~~ dollars (~~\$250~~) (**\$600**) or more may not be awarded to a winner of a pull tab, punchboard, or tip board game unless:

- (1) the winner provides the winner's printed name, signature, and date of birth to the qualified organization conducting the pull tab, punchboard, or tip board game; and
- (2) the qualified organization verifies the identity of the prize winner using any reasonable means the qualified organization considers necessary.

(c) If a qualified organization is required to report a patron's gambling winnings to the Internal Revenue Service for federal income tax purposes, the winning patron shall provide the qualified organization with the information necessary to comply with all applicable state and federal tax laws.

SECTION 5. IC 4-32.2-5-25, AS ADDED BY P.L.60-2009, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 25. (a) Except as provided in subsection (b), a qualified organization shall obtain licensed supplies from an entity licensed by the commission as a ~~manufacturer or~~ distributor.

(b) Subsection (a) does not apply to a reusable licensed supply:

- (1) constructed, purchased, or otherwise obtained by a qualified organization before January 1, 2009; or
- (2) borrowed at any time from another qualified organization.

**(c) A qualified organization may pay for licensed supplies only with a check drawn on or by an electronic funds transfer from the qualified organization's gaming account.**

SECTION 6. IC 4-32.2-5-25.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 25.3. (a) A licensed distributor may obtain licensed supplies to be used in charity gaming only from an entity licensed by the commission as a manufacturer or distributor unless the supplies are obtained from a qualified organization if:**

- (1) the qualified organization has ceased gaming;**
- (2) the qualified organization is upgrading equipment; or**
- (3) the licensed distributor notifies and obtains permission from the commission.**

**(b) A licensed distributor may provide supplies to be used in charity gaming only to:**

- (1) a qualified organization that has obtained a license from the commission to conduct allowable events; or**
- (2) a qualified organization that is exempt from obtaining a**



**license under IC 4-32.2-4-3."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1235 as printed February 21, 2014.)

LEISING

